



2024-25 LUSD Second Interim Budget

March 13, 2025

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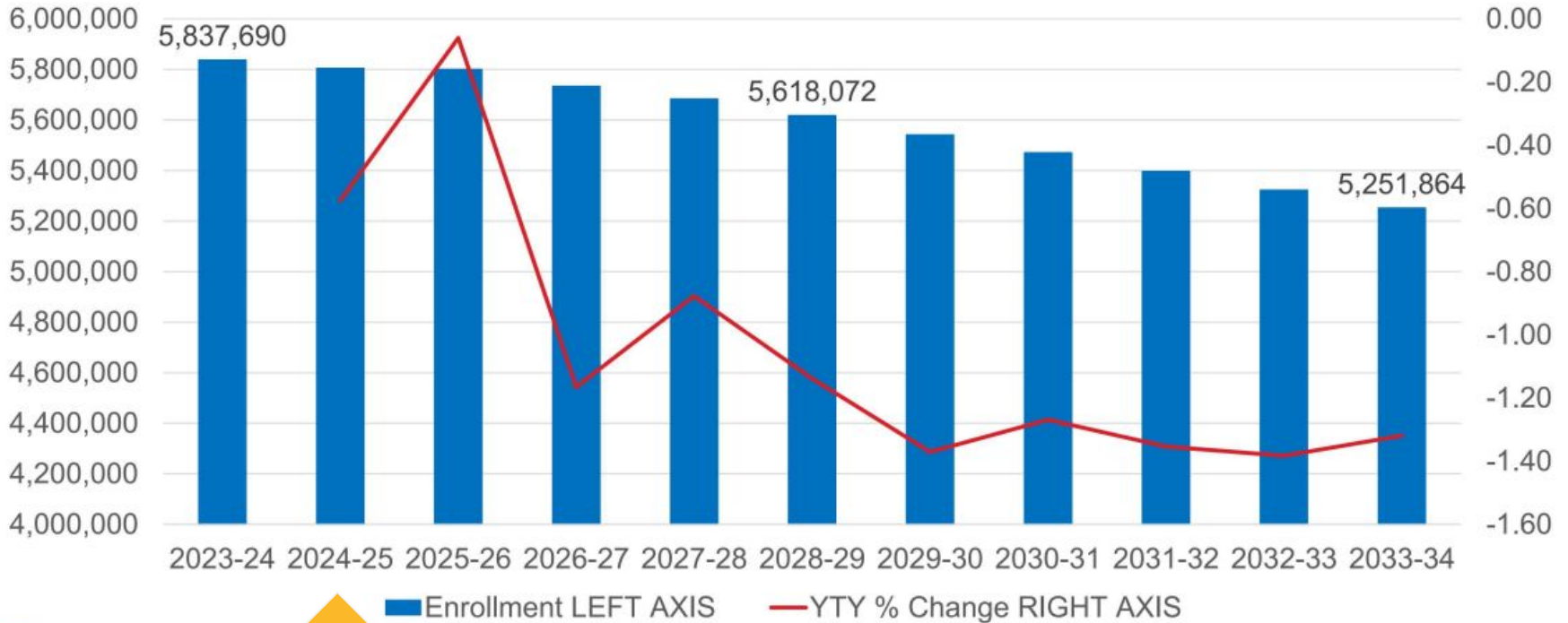
01

CA Outlook

Risks to 2025-26 State Budget

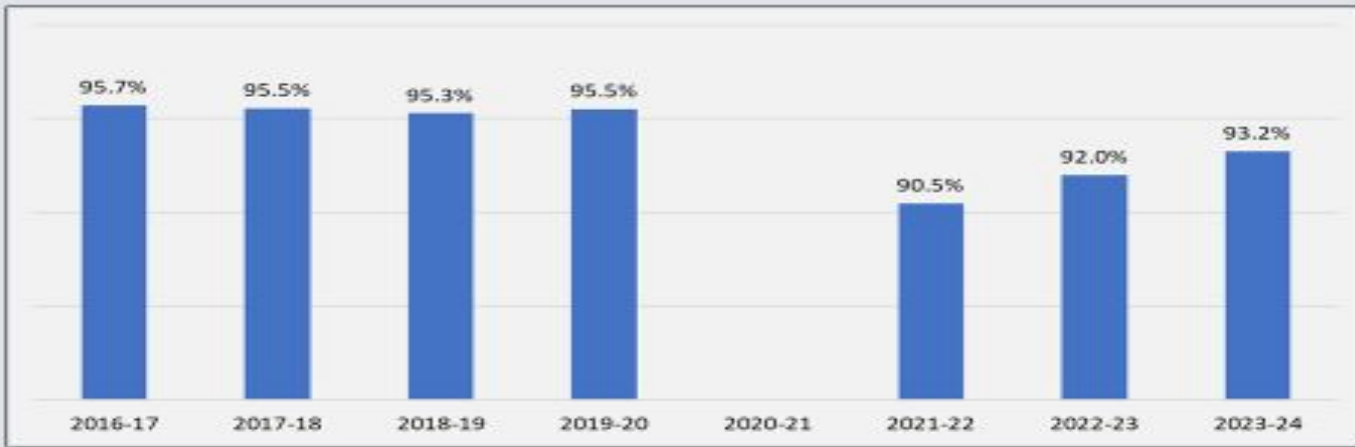
- Extreme weather events
- Delayed tax deadlines due to natural disasters
 - LA County extended until October 15, 2025
 - Accounts for more than 20% of personal income tax (PIT)
- Stock market volatility
 - Revenue gains built on stock market growth are precarious
- Federal policy uncertainty
- Interest rate volatility
- Weak labor market over the past two years

School Age Enrollment Projections, California



Attendance Ratios Recovering Slowly, Remain Below Pre-Pandemic Levels

Average Daily Attendance as Percent of Enrollment



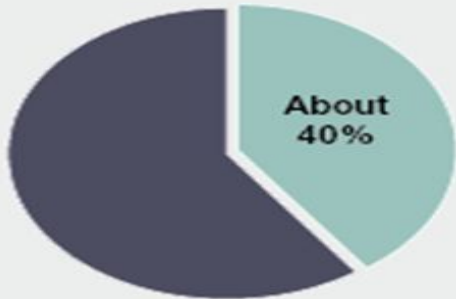
Lakeside's ADA
23-24 P-2 ADA 93.96%
24-25 P-1 ADA 95.15%

Education Budget Update

02

“Test 1” Operative for Determining the Guarantee in 2024-25 and 2025-26

Test 1
Share of General Fund Revenue



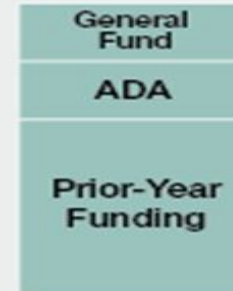
Guarantee based on share of state General Fund revenue going to K-14 education in 1986-87.

Test 2
Change in Per Capita Personal Income (PCPI)



Guarantee based on prior-year funding level adjusted for year-over-year changes in K-12 attendance and California PCPI.

Test 3
Change in General Fund Revenue



Guarantee based on prior-year funding level adjusted for year-over-year changes in K-12 attendance and state General Fund revenue.

ADA = average daily attendance.

Ongoing Proposals

→ Cost-of-Living Adjustment (COLA)

- ◆ 2.43%

→ Transitional Kindergarten (TK)

- ◆ Add-on for TK from \$3,150 to approximately \$6,400
- ◆ Staffing ratio requirement set to drop from 12:1 to 10:1
 - 24:1, with aide or 20:1, with aide

→ Expanded Learning Opportunities Program (ELOP)

- ◆ Reduces minimum UPP threshold for *higher rate* from 75% to 55%
- ◆ Funding for Districts below 55% UPP remains at a lower rate
- ◆ Starting in 2025-26, LEAs must annually declare their intent to run the program
- ◆ Two-year expenditure deadlines from initial year funded, if not spent, will be returned to the state

One-Time Proposals

- \$1.8 Billion for One-Time Discretionary Grant
 - ◆ Official name is “Student Support and Professional Development Discretionary Block Grant”
 - ◆ Equates to approximately \$310 per student based on 24-25 P-2 ADA
 - ◆ Districts directed to spend grant “to address rising costs” and fund specific priorities
 - Rising costs such as STRS/PERS, SELF Insurance, Utilities, etc.

One-Time Proposals

- **\$379 Million for Learning Recovery Emergency Block Grant (LREBG)**
 - ◆ Intent is to restore previous reduction to original grant allocation, which was cut by the 2023 Budget Act
 - ◆ Spending deadline June 30, 2028
 - ◆ New to program beginning July 1, 2025
 - In order to utilize these funds, LEAs must conduct a new student needs assessment and include expenditures and actions in the LCAP
 - Identify students in greatest need of learning recovery based on chronic absenteeism and ELA and Math assessments, include interventions that will address the needs of the identified students
 - Funds may also be used for training on ELA and math frameworks and be evidence-based

2025-26 Governor's Budget

LCFF PLANNING FACTORS

Factor	2024-25 ⁴	2025-26 ^{5,6,7}	2026-27	2027-28	2028-29
Department of Finance Statutory COLA	1.07%	2.43%	3.52%	3.63%	3.49%

LCFF GRADE SPAN FACTORS FOR 2025-26

Entitlement Factors per ADA*	TK-3	4-6	7-8	9-12
2024-25 Base Grants	\$10,025	\$10,177	\$10,478	\$12,144
Statutory COLA of 2.43%	\$244	\$247	\$255	\$295
2025-26 Base Grants	\$10,269	\$10,424	\$10,733	\$12,439
Grade Span Adjustment Factors	10.4%	-	-	2.6%
Grade Span Adjustment Amounts	\$1,068	-	-	\$323
2025-26 Adjusted Base Grants ³	\$11,337	\$10,424	\$10,733	\$12,762
Transitional Kindergarten (TK) Add-On ⁴	\$6,404	-	-	-

*Average daily attendance (ADA)

2025-26 Governor's Budget

OTHER PLANNING FACTORS

Factors	2024-25	2025-26	2026-27	2027-28	2028-29
California CPI	2.85%	2.92%	2.70%	2.76%	2.90%
California Lottery	Unrestricted per ADA	\$191	\$191	\$191	\$191
	Restricted per ADA	\$82	\$82	\$82	\$82
Mandate Block Grant (District)	Grades K-8 per ADA	\$38.21	\$39.14	\$40.52	\$41.99
	Grades 9-12 per ADA	\$73.62	\$75.41	\$78.06	\$80.89
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$20.06	\$20.55	\$21.27	\$22.04
	Grades 9-12 per ADA	\$55.76	\$57.11	\$59.12	\$61.27
Interest Rate for Ten-Year Treasuries	4.39%	4.49%	4.41%	4.30%	4.30%
CalSTRS Employer Rate ⁵	19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵	27.05%	27.40%	27.50%	28.50%	28.20%
Unemployment Insurance Rate ⁶	0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage ⁷	\$16.50	\$16.90	\$17.40	\$17.80	\$18.30

CalSTRS and CalPERS Employer Contribution Rates

- ❖ The CalSTRS Board can increase the employer contribution rate up to 20.25%
- ❖ The CalSTRS Board is expected to officially adopt the 2025-26 employer contribution rate this spring
- ❖ The CalSTRS employer rate has been level at 19.10%

- ★ The CalPERS employer rates are projected to continue their upward climb.
- ★ The CalPERS employer rate is currently 27.05%

LUSD 2024-25 Second Interim Budget

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2024-25 LCFF Funding Factors

Grade Span	TK-3	4-6	7-8	9-12
2023-24 Base Grant per ADA	\$9,919	\$10,069	\$10,367	\$12,015
1.07% COLA	\$106	\$108	\$111	\$129
2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
GSA	\$1,043	–	–	\$316
2024-25 Adjusted Base Grant per ADA	\$11,068	\$10,177	\$10,478	\$12,460
20% Supplemental Grant per ADA ¹	\$2,214	\$2,035	\$2,096	\$2,492
65% Concentration Grant per ADA ²	\$3,237	\$2,977	\$3,065	\$3,645
TK Add-On (inclusive of COLA)	\$3,077	–	–	–

¹Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 20% and UPP

²Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

**LCFF PLANNING FACTORS**

Factor	2023-24 ¹	2024-25 ²	2025-26	2026-27	2027-28
Department of Finance Statutory COLA	8.22%	1.07%	2.93%	3.08%	3.30%

OTHER PLANNING FACTORS

Factors	2023-24	2024-25	2025-26	2026-27	2027-28	
California CPI	3.46%	3.23%	2.86%	2.81%	2.85%	
California Lottery	Unrestricted per ADA	\$211	\$191	\$191	\$191	\$191
	Restricted per ADA	\$102	\$82	\$82	\$82	\$82
Mandate Block Grant (District) ⁴	Grades K-8 per ADA	\$37.81	\$38.21	\$39.33	\$40.54	\$41.88
	Grades 9-12 per ADA	\$72.84	\$73.62	\$75.78	\$78.11	\$80.69
Mandate Block Grant (Charter) ⁵	Grades K-8 per ADA	\$19.85	\$20.06	\$20.65	\$21.29	\$21.99
	Grades 9-12 per ADA	\$55.17	\$55.76	\$57.39	\$59.16	\$61.11
Interest Rate for Ten-Year Treasuries	4.26%	3.89%	3.58%	3.60%	3.50%	
CalSTRS Employer Rate ⁶	19.10%	19.10%	19.10%	19.10%	19.10%	
CalPERS Employer Rate ⁵	26.68%	27.05%	27.60%	28.00%	29.20%	
Unemployment Insurance Rate ⁷	0.05%	0.05%	0.05%	0.05%	0.05%	
Minimum Wage ⁸	\$16.00	\$16.50	\$17.00	\$17.40	\$17.80	

2024-25 LUSD Revenues

- ❖ 1.07% Statutory COLA
 - Includes:
 - Child Nutrition
 - Special Education
 - Mandate Block Grant
- ❖ 2% Increase to property taxes
- ❖ Lottery increased from June 2024
 - Unrestricted \$177 to \$191= \$14
 - Restricted \$72 to \$82=\$10

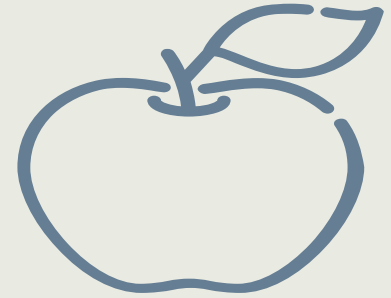
2024-25 LUSD Expenditures

- ❖ Step and Column increase
 - 2% Certificated
 - 1.5% Classified
- ❖ STRS
 - 19.1%
- ❖ PERS
 - 27.05%
- ❖ Operational increases
 - 10%

2024-25 LUSD Student Data

❖ Student

- Enrollment
 - 4,516
- Average Daily Attendance
 - 4,245 = 94%
- Unduplicated Pupil Count (UPP)
 - 2037
- UPP Percentage
 - 45%

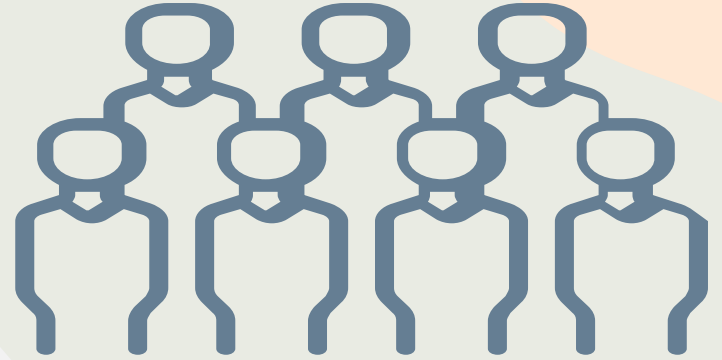


2024-25 LUSD Staff



Staff FTE

- Certificated
 - 271.2
- Classified
 - 250.6
- Management/Confidential
 - 31.8

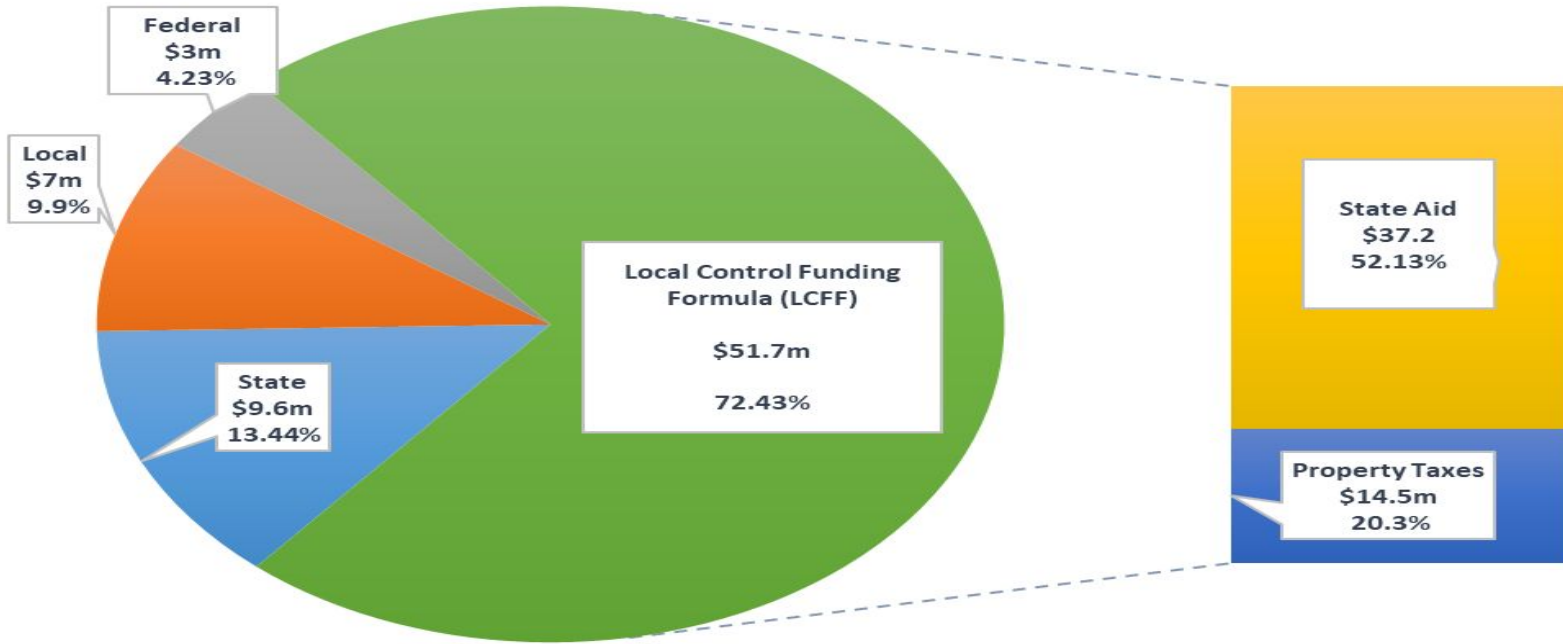


General Fund Overview

2024-25 General Fund	Unrestricted	Restricted	Combined
Revenues	\$54,342,513	\$16,979,635	\$71,322,148
Expenditures	<u>48,096,050</u>	<u>34,161,765</u>	<u>82,257,814</u>
Surplus(Deficit)	6,246,463	(17,182,130)	(10,935,666)
Contributions/Transfers	(9,970,077)	9,970,077	(0)
Net +/- Fund Balance	(3,723,614)	(7,212,053)	(10,935,666)
July 1, Beginning Fund Balance	6,537,352	14,224,620	20,761,971
June 30, Est. Ending Fund Balance	2,813,738	7,012,567	9,826,305
Unrestricted Fund Reserve %	3.42%		

2024-25 General Fund Revenues

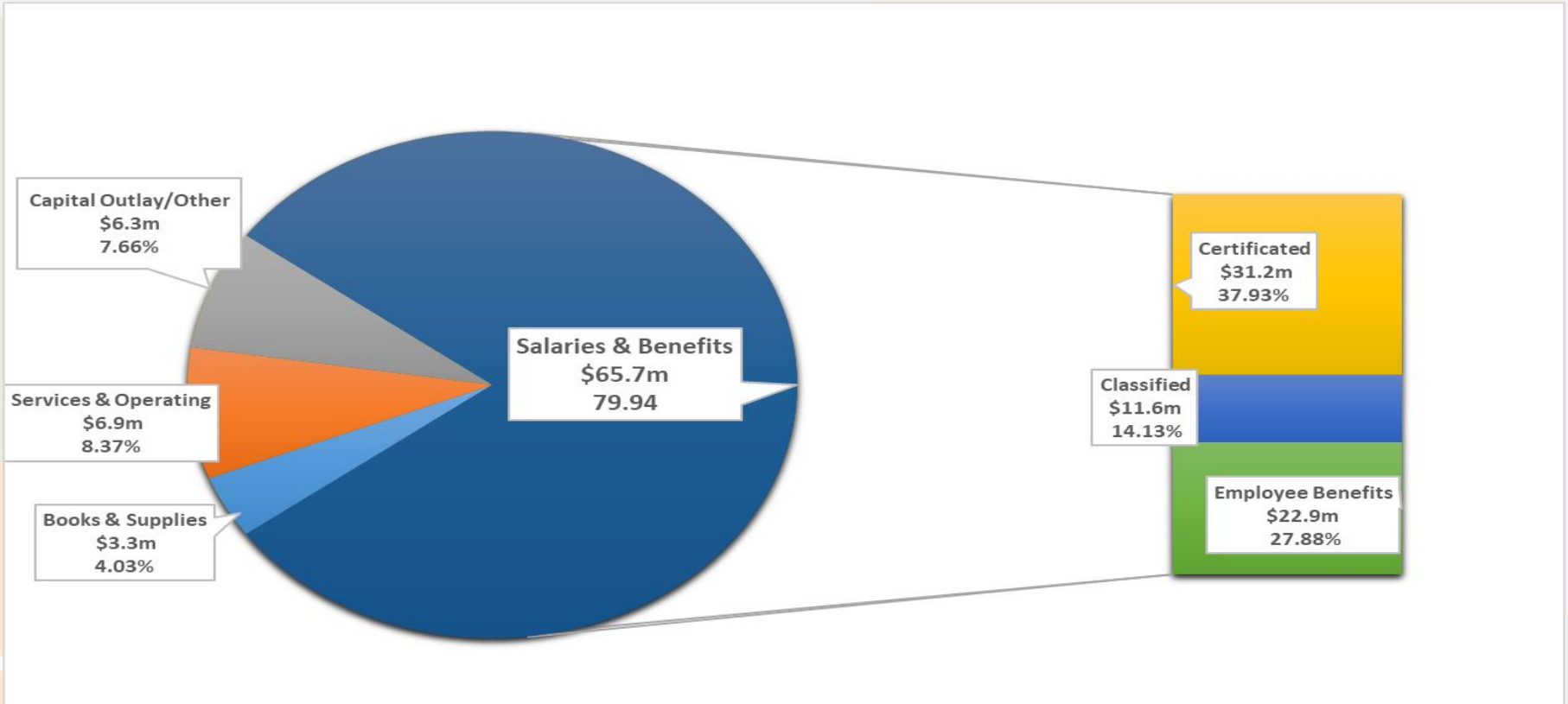
\$71,322,148



■ State ■ Local ■ Federal ■ Local Control Funding Formula ■ Property Taxes

2024-25 General Fund Expenditures

\$82,257,814



Multi-Year General Fund Projections

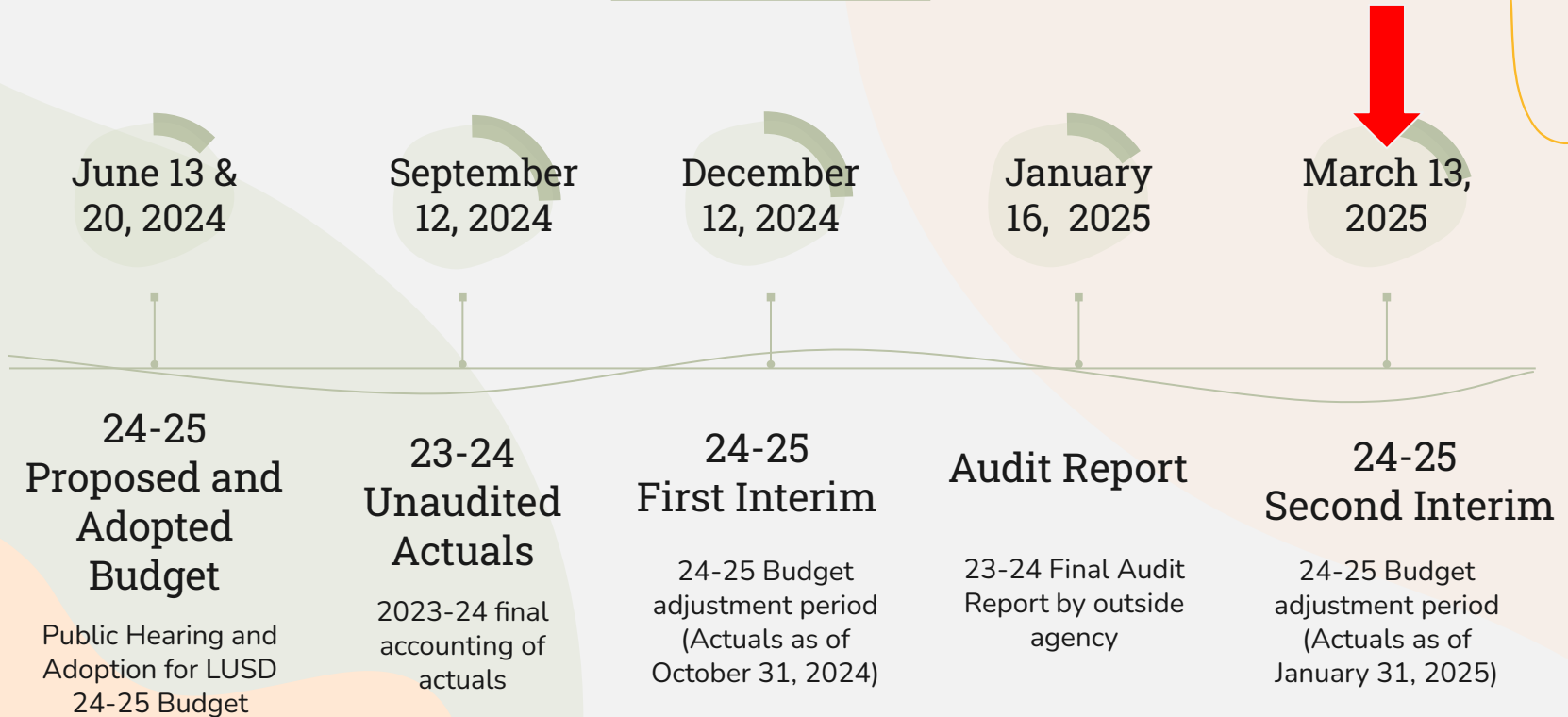
	2023-24	2024-25	2024-25	2025-26
General Fund 01-Combined	Actuals	Adopted	Second Interim	Projected
TOTAL REVENUES	\$81,188,563	\$69,028,264	\$71,322,148	\$72,595,840
TOTAL EXPENDITURES	<u>80,859,117</u>	<u>75,613,868</u>	<u>82,257,814</u>	<u>73,484,962</u>
INCREASE (DECREASE) IN FUND BALANCE	329,446	(6,585,604)	(10,935,666)	(889,122)
BEGINNING BALANCE-Combined	20,432,524	12,779,120	20,761,971	9,826,305
ENDING BALANCE-Combined	\$20,761,970	\$6,193,516	\$9,826,305	\$8,937,183
*Combined Funds Reserve Percentage <i>*Prior to Nonspendable, Committed, Assigned</i>	25.68%	8.19%	11.95%	12.16%
BEGINNING BALANCE-Unrestricted	8,911,635	5,096,553	6,537,352	2,813,738
ENDING BALANCE-Unrestricted	5,624,326	2,409,986	2,813,738	2,394,455
Unrestricted Reserve Percentage	6.96%	3.19%	3.42%	3.26%



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Next Steps

LUSD 2024-25 Budget Process from June through October



Looking forward



Governors 2025 Budget Projections

- Closely monitor - what may be different from January to May
- revise



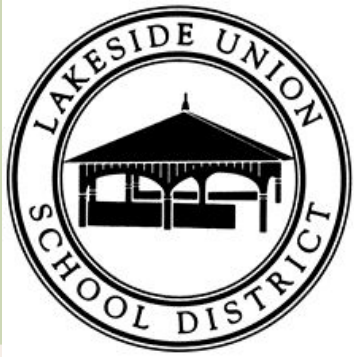
One Time Funding Expiring

These funds helped considerably, but they do come to an end....



Current Projections and MYP

Always looking forward - current and multi year staffing to enrollment, contracts, and what's in the future with new laws



Board Member Questions or Comments
